Proper utilization of foreign exchange reserve

†1526. SHRI JANESHWAR MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is unable to make optimum utilization of foreign exchange reserve;

(b) if so, whether it is also a fact that if foreign exchange reserve's were not properly utilized, they would distort exchange rate thereby causing huge losses to the export industry;

(c) whether Government is going to formulate any action plan for proper utilization of foreign exchange reserve; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The foreign exchange reserves are fully utilized. The Reserve Bank of India invests foreign exchange reserves in multi-currency, multimarket portfolios.

(b) to (d) Does not arise.

Rise in prices of essential commodities

1527. SHRI MATILAL SARKAR: Will the Minister of FINANCE be pleased to state:

(a) the extent of rise of prices of food-grains and other essential commodities from April, 2006 to October, 2007.

(b) the reasons other than demand-supply relation that have acted to accelerate price-rise;

(c) whether Government has made any assessment as to what extent the Minimum Support Price (MSP) reaches the farmers in reality; and

(d) the steps taken by Government in this respect?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The monthly inflation measured in terms of WPI for foodgrains and composite index of 30 essential commodities has moderated in recent months. Month-wise detail of inflation since April 2006 is indicated below:

WPI based monthly inflation (%)

Period	Foodgrains (5.01 weight)		Essential commodities (17.63 weight)	
	2006-07	2007-08	2006-07	2007-08
1	2	3	4	5
Apr.	8.60	8.48	5.91	3.26
May	9.77	7.22	7.64	1.67
June	8.95	6.45	8.59	0.85
July	7.52	7.70	5.44	2.84
Aug.	8.30	7.26	5.30	2.73
Sep.	10.96	**4.21P**	7.24	**1.19P**
Oct.	12.62	**2.71P**	7.66	**0.50P**
Nov.	12.68	—	6.63	—
Dec.	13.10	—	6.42	—

†Original notice of the question was received in Hindi.